

SENATE BILL REPORT

SB 5911

**AS REPORTED BY COMMITTEE ON TRADE, TECHNOLOGY & ECONOMIC
DEVELOPMENT, MARCH 2, 1993**

Brief Description: Promoting economic development.

SPONSORS: Senators Cantu, Skratek, Bluechel and Winsley

SENATE COMMITTEE ON TRADE, TECHNOLOGY & ECONOMIC DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5911 be substituted therefor, and the substitute bill do pass.

Signed by Senators Skratek, Chairman; Sheldon, Vice Chairman; Bluechel, Deccio, Erwin, M. Rasmussen, and Williams.

Staff: Midori Okazaki (786-7444)

Hearing Dates: February 26, 1993; March 2, 1993

BACKGROUND:

The Pacific Northwest Export Assistance Program (PNEAP), a branch of the Small Business Export Finance Assistance Center, was created by the Legislature in 1991 as part of the omnibus timber bill. At least 50 percent of PNEAP's new cadres of clients each year must be from timber impact areas, and 90 percent should be businesses with gross revenues of less than \$5 million. Increased flexibility in these requirements may better allow PNEAP to serve areas which are not currently experiencing economic distress, but which are likely to experience distress due to other natural resource issues or defense budget reductions.

SUMMARY:

The original bill was not considered.

EFFECT OF PROPOSED SUBSTITUTE:

Fifty percent of PNEAP's new clients should be very small business clients (gross revenues of less than \$5 million). During the 1993-95 fiscal biennium 50 percent of new clients may be from economically disadvantaged areas as determined by the Small Business Export Finance Assistance Center's board of directors, if resources dedicated to clients from timber impact areas increases above those dedicated to such clients in the previous fiscal biennium.

The Small Business Export Assistance Finance Center is authorized to provide services, if requested, to other Pacific Northwest states and provinces.

Appropriation: none

Revenue: none

Fiscal Note: requested

TESTIMONY FOR:

Nationally regarded economic development experts have cited PNEAP as a model for the entire country, and local economic development practitioners support this program. More non-timber impact should have greater access to this program. Removing the required focus on timber impact communities will enable the program to respond quickly economic downturns that may be caused, for example, by other natural resource issues or defense spending cuts.

TESTIMONY AGAINST: None

TESTIFIED: Senator Emilio Cantu; Ken Keach, Export Assistance Center; Pam Brown, Lewis County EDC